DOCUMENT RESUME

ED 147 455 CE 011 941

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TITLE Management by Objectives--State Level.
PUB DATE Dec 72
NOTE 15p.; Paper presented at the American Vocational Association Convention (Chicago, Illinois, December, 1972)

EDRS PRICE MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS *Accountability; *Evaluation Methods; Job Skills; *Management by Objectives; Management Information Systems; Objectives; *Organizational Effectiveness; Performance; Performance Criteria; Personnel Evaluation; Productivity; Program Development; Statewide Planning; *Systems Development; *Task Performance

ABSTRACT

This paper presents a management by objectives system in three sections: a method of developing the organization's goals and objectives, a method for the development of personal job functions and performance objectives, and a method for the establishment of performance evaluation sessions. Key terms are defined. A rationale for developing organizational goals and objectives is presented, followed by a sequence of functions for developing them, with tasks outlined and personnel responsible for their completion designated. The second section is presented in the same format. The significance of establishing performance evaluations is described and a three-step process for measuring individual performance is outlined. Suggestions are offered for monthly, quarterly, and annual project reviews. Strategies for implementing a management by objectives system are presented, as well as difficulties and problems of implementation. (BL)

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MANAGEMENT BY OBJECTIVES--STATE LEVEL[1]

by

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INTRODUCTION

MANAGEMENT BY OBJECTIVES IS A SYSTEM WHICH ENABLES AN ORGANIZATION TO PLAN IN ADVANCE WHAT THAT ORGANIZATION DESIRES TO ACCOMPLISH WITHIN A SPECIFIED PERIOD OF TIME. IN ADDITION, IT IS A SYSTEM WHEREBY MANAGERS ASSIST SUBORDINATES TO PLAN THEIR WORK, MEET THEIR OBJECTIVES, AND REVIEW THEIR PERFORMANCE SO THAT THEY MAY ACHIEVE OPTIMUM JOB RESULTS, AND IN SO DOING, ASSIST IN THE ACCOMPLISHMENT OF THE OVERALL GOALS AND OBJECTIVES OF THE ORGANIZATION.

THIS PRESENTATION IS IN THREE SECTIONS. FIRST, IT WILL ILLUSTRATE A METHOD OF DEVELOPING THE ORGANIZATION'S GOALS AND OBJECTIVES. SECOND, IT WILL PRESENT A METHOD FOR THE DEVELOPMENT OF PERSONAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES FOR INDIVIDUAL ACCOUNTABILITY, IN THE PROCESS OF ACHIEVING THE OVERALL GOALS AND OBJECTIVES OF THE ORGANIZATION. THIRD AND FINALLY, THIS PAPER WILL SUGGEST A METHOD FOR THE ESTABLISHMENT OF PERFORMANCE EVALUATION SESSIONS IN ORDER TO DETERMINE THE DEGREE OF SUCCESS IN ACHIEVING THE DESIRED OUTCOMES OF THE ORGANIZATION AND THE INDIVIDUAL'S RESPONSIBILITIES.

THE MANAGEMENT BY OBJECTIVES SYSTEM IS OF PARTICULAR VALUE TO PROFESSIONAL PERSONNEL. THE ADMINISTRATOR WILL FIND THAT IT ASSISTS

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[1]Adapted from the manuscript "Management by Objectives Implementation Sequence" by Susan K. Leverenz and Charles O. Hopkins, Oklahoma State Department of Vocational and Technical Education.

Presented to the American Vocational Association Convention, Chicago, December, 1972

HIM IN PLANNING, ORGANIZING, AND DELEGATING WORK. THE SYSTEM WILL ALSO PROVIDE BETTER UNDERSTANDING OF THE SUBORDINATES' PROBLEMS AND SHOULD STRENGTHEN THE MANAGER-SUBORDINATE RELATIONSHIP. FINALLY, THE MANAGER WILL FIND THE SYSTEM VALUABLE FOR ASSURING THE OPTIMUM UTILIZATION OF PROFESSIONAL PERSONNEL, AS WELL AS ENABLING THE PROFESSIONAL EMPLOYEE TO GIVE SELF-DIRECTION IN ACHIEVING THE GOALS AND OBJECTIVES OF THE ORGANIZATION.

THE ENTIRE OKLAHOMA STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL EDUCATION HAS BEEN ON M.B.O. SINCE JULY 1, 1972. PREVIOUS TO THAT THE DIVISION OF RESEARCH, PLANNING, AND EVALUATION HAD BEEN TESTING AND MODIFYING THE SYSTEM FOR ONE YEAR. WE ARE THOROUGHLY CONVINCED THAT THIS MANAGEMENT TECHNIQUE IS AN EFFECTIVE METHOD OF DIRECTING THE TOTAL EFFORT OF AN ORGANIZATION TOWARD THE ACCOMPLISHMENT OF PRE-SPECIFIED OBJECTIVES.

DEFINITIONS

I WILL DEFINE THE FOLLOWING TERMS IN THE CONTEXT IN WHICH THEY WILL BE USED IN THIS PRESENTATION.

ORGANIZATIONAL GOAL: ORGANIZATIONAL GOALS ARE BROAD STATEMENTS OF INTENT WHICH ARE NOT QUANTIFIABLE. THEY DEFINE THE CONDITIONS TO BE ACHIEVED YEAR AFTER YEAR IF THE ORGANIZATION IS TO BE SUCCESSFUL.

ORGANIZATIONAL OBJECTIVE: ORGANIZATIONAL OBJECTIVES ARE SHORT STATEMENTS OF INTENT WHICH RELATE BACK TO THE ACHIEVEMENT OF AN ORGANIZATIONAL GOAL, AND ARE QUANTIFIABLE. THEY SHOULD INDICATE WHAT IS TO BE ACCOMPLISHED AND BY WHEN.

JOB FUNCTION: JOB FUNCTIONS ARE THE MAJOR SEGMENTS OF AN INDIVIDUAL'S WORK, OR THOSE GENERAL AREAS WITHIN WHICH THE INDIVIDUAL IS HELD ACCOUNTABLE FOR PRODUCING RESULTS. THEY ARE KEY RESPONSIBILITY AREAS OF A JOB.

PERFORMANCE OBJECTIVE: PERFORMANCE OBJECTIVES ARE THE INDIVIDUAL'S SHORT STATEMENTS OF INTENT WHICH ARE QUANTIFIABLE.

THEY RELATE BACK TO THE INDIVIDUAL'S JOB FUNCTIONS AND SHOULD INDICATE WHAT IS TO BE ACCOMPLISHED AND BY WHEN.

DEVELOPING ORGANIZATIONAL GOALS AND OBJECTIVES

IN THE DEVELOPMENT OF THE ORGANIZATIONAL GOALS AND OBJECTIVES, THE MOST IMPORTANT AND PRIMARY FACTOR IS PLANNING. PLANNING BY DEFINITION IS THE RATIONAL DETERMINATION OF WHERE YOU ARE, WHERE YOU WANT TO GO, AND HOW YOU ARE GOING TO GET THERE. THUS, THE "WHERE YOU WANT TO GO" BECOMES THE ORGANIZATIONAL OBJECTIVES, AND THE "HOW YOU ARE GOING TO GET THERE" BECOMES THE PERSONAL OBJECTIVES. HOWEVER, BEFORE YOU CAN DECIDE WHERE YOU WANT TO GO, IT IS NECESSARY TO DETERMINE WHERE YOU ARE, AND THIS ULTIMATELY REQUIRES A DATA BASE FROM WHICH YOU CAN DEVELOP VIABLE GOALS AND CHALLENGING BUT ACHIEVABLE OBJECTIVES FOR THE ORGANIZATION.

ONCE THE ORGANIZATIONAL GOALS AND OBJECTIVES HAVE BEEN DEVELOPED, NEGOTIATED, AND APPROVED, THE ORGANIZATION BECOMES COMMITTED TO THE ATTAINMENT OF THESE OBJECTIVES, IN ADDITION TO BEING HELD ACCOUNTABLE FOR PRODUCING THE RESULTS STATED THEREIN.

AT THIS POINT THERE IS LITTLE OR NO INDIVIDUAL ACCOUNTABILITY. THIS ASPECT WILL BE DEVELOPED IN THE NEXT SECTION THROUGH THE DISCUSSION AND DEVELOPMENT OF PERSONAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES AS THEY RELATE TO THE ORGANIZATIONAL GOALS AND OBJECTIVES.

THE FOLLOWING DESCRIBES BRIEFLY A SEQUENCE FOR DEVELOPING ORGANIZATIONAL GOALS AND OBJECTIVES.

1. Task Force Appointed by the Top Administration

1. The purpose of this task force will be to:

   A. Study where the organization has been in the past;

   B. Determine where the organization is at the present time;

C. Determine where the organization would like to be at some future date, focusing on the key result areas which will determine the goals for the organization.

These key result areas become the organizational goals, or those broad statements of intent which are not quantifiable, and define conditions to be achieved year after year if the manager's area of responsibility is to be successful.

2. The process of determining the goals from the key result areas is best achieved in the following way:

A. Compile a list of those things the organization must do, or would like to do concerning particular key result areas. This list should encompass those accomplishments the organization would like to achieve; those concerns the organization would like to overcome; or those opportunities the organization would like to take advantage of in each key result area.

3. Once the goals have been established, the task force then determines what the organization must do in order to achieve these goals. This becomes the organizational objectives.

2. Top Administration

4. Reviews the task force's recommendations and modifies the organizational goals and objectives as appropriate.

5. Reviews the organizational goals and objectives with the first level managers, suggests some tentative goals and objectives that the first level managers should consider, and requests the first level managers to develop their organizational goals and objectives for their areas of responsibility.

3. First Level Managers

6. Develop the first level management organizational goals that he or she feels must be achieved in his or her area of responsibility, in order to meet the total organization's goals and objectives for the set time period.

7. Once the goals have been established, the first level manager then determines what must be done in order to achieve these goals. This becomes the organizational objectives or those short statements of intent which are quantifiable.

8. Determine and list the coordination with other agencies and/or departments that will be necessary in order to carry out the objectives that relate to the goal.

9. Discuss the information and assistance needed with other agencies and/or departments concerned, outlining specific requirements and fully explain the reasons for the requirements.

10. Meet with the top administration to present the organizational goals and objectives for negotiation and approval.

4. Top Administration

11. Reviews, reconciles, consolidates, and approves the organizational goals and objectives of the first level manager at the negotiation session.

5. First Level Manager

12. Conducts a meeting with the second level managers in his or her area of responsibility in which the organizational goals and objectives are reviewed and requests made for the second level managers to develop organizational goals and objectives for their areas of responsibility.

6. Second Level Manager

13. Develops the second level management organizational goals that he or she feels must be achieved in his or her area of responsibility, in order to meet the first level manager's organizational goals and objectives for the set time period.

14. Once the goals have been established, the second level manager then determines what must be done in order to achieve these goals. This becomes the organizational objectives or those short statements of intent which are quantifiable.

15. Meet with the first level manager to present the organizational goals and objectives for negotiation and approval.

7. First Level Manager

16. Reviews, reconciles, consolidates, and approves the organizational goals and objectives of the second level manager at the negotiation session.

8. Continue on as before until the cycle has reached every level of management in the organization.

DEVELOPING PERSONAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES

IN THE PROCESS OF PLANNING FOR THE ACHIEVEMENT OF THE ORGANIZATIONAL GOALS AND OBJECTIVES, THE NEED FOR INDIVIDUAL ACCOUNTABILITY BECOMES APPARENT. THIS SECTION OF THE PAPER WILL PROVIDE A METHOD FOR DEVELOPING PERSONAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES.

TO BEGIN, THE MANAGER AND SUBORDINATE MUST MUTUALLY DECIDE UPON THE MAJOR SEGMENTS OF THE SUBORDINATE'S WORK, OR THOSE GENERAL AREAS WITHIN WHICH THE INDIVIDUAL IS HELD ACCOUNTABLE FOR PRODUCING RESULTS. THESE KEY RESPONSIBILITY AREAS OF A JOB BECOME THE INDIVIDUAL'S PERSONAL JOB FUNCTIONS.

ONCE THE PERSONAL JOB FUNCTIONS, WHICH USUALLY NUMBER BETWEEN FOUR AND EIGHT FOR AN INDIVIDUAL, HAVE BEEN IDENTIFIED AND AGREED UPON, THE SUBORDINATE WILL BEGIN DEVELOPING PERFORMANCE OBJECTIVES FOR EACH IDENTIFIED JOB FUNCTION. THESE PERFORMANCE OBJECTIVES ARE SHORT STATEMENTS OF INTENT WHICH ARE QUANTIFIABLE AND SHOULD INDICATE WHAT IS TO BE ACCOMPLISHED AND BY WHEN.

IN DEVELOPING THE PERFORMANCE OBJECTIVES, THE INDIVIDUAL SHOULD RETURN TO THE ORGANIZATIONAL GOALS AND OBJECTIVES THAT HAVE BEEN DEVELOPED FOR HIS OR HER AREA OF RESPONSIBILITY. THESE ORGANIZATIONAL GOALS AND OBJECTIVES WILL PROVIDE THE INDIVIDUAL WITH A GUIDELINE OF WHAT THE ORGANIZATION IS TRYING TO ACHIEVE AND HOW HE OR SHE MAY CONTRIBUTE TO THE REALIZATION OF THESE GOALS

AND OBJECTIVES, BY THE PERFORMANCE OBJECTIVES DEVELOPED WITHIN THE PERIMETERS OF THEIR JOB FUNCTIONS.

THEREFORE, AS THE ORGANIZATIONAL GOALS AND OBJECTIVES GIVE THE DIRECTION AND SPECIFIC MEASURABLE TARGETS TO BE ACHIEVED BY THE TOTAL MANAGEMENT AREA, THE MANAGER AND THE SUBORDINATES WITHIN THAT MANAGEMENT AREA ARE ALSO HELD ACCOUNTABLE FOR ACHIEVING CERTAIN PERFORMANCE OBJECTIVES WITHIN THEIR MAJOR AREAS OF RESPONSIBILITY ON THE JOB.

FOLLOWING IS A BRIEF SEQUENCE FOR DEVELOPING MAJOR JOB FUNCTIONS AND PERFORMANCE OBJECTIVES.

1.	Manager	1. Writes the major job functions of his or her subordinate. A. Keeping in mind that the major functions are those key result areas or general objectives for which the subordinate is held accountable.
2.	Subordinate	2. Writes his or her own major job functions. (NOTE: Step 1 A. above).
3.	Manager and Subordinate	3. Meet and discuss the major job functions and mutually agree on the job content and the relative importance of each major job function.
4.	Subordinate	4. For each job function, the subordinate lists the specific results he or she expects to accomplish during the time period covered. Performance objectives should: A. Specifically state what is to be accomplished and by when. B. List results to be accomplished or major activities leading to the results. C. State the expected results or major activities in measurable terms.
5.	Manager and Subordinate	5. Meet and negotiate the subordinate's performance objectives and mutually agree upon the importance and difficulty of the objectives.

6. Subordinate	6. Begins working on the performance objectives with the realization that he or she will be held accountable for the accomplishment of the negotiated performance objectives.

THIS PARALLEL SYSTEM (ORGANIZATIONAL GOALS AND OBJECTIVES AND INDIVIDUAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES) PROVIDES GUIDANCE, DIRECTION, AND ACCOUNTABILITY FOR BOTH GROUPS AND INDIVIDUALS. IN MANY INSTANCES, IT IS IMPOSSIBLE FOR THE INDIVIDUAL TO SEE HIS OWN JOB IN RELATION TO THE ORGANIZATION. THIS DUAL SYSTEM PROVIDES FOR PERSONAL AS WELL AS INSTITUTIONAL IDENTITY AND RESPONSIBILITY.

ESTABLISHING PERFORMANCE EVALUATIONS

NOW THAT THE ORGANIZATIONAL GOALS AND OBJECTIVES HAVE BEEN DEVELOPED, ALONG WITH THE PERSONAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES, THE FINAL STAGE TO IMPLEMENTING AN EFFECTIVE MANAGEMENT BY OBJECTIVES SYSTEM IS THE PERFORMANCE EVALUATION. PERFORMANCE EVALUATION IS DEFINED AS THE REVIEW OF THE PERFORMANCE OF EACH STAFF MEMBER IN TERMS OF HOW WELL PREVIOUSLY ESTABLISHED PERFORMANCE OBJECTIVES HAVE BEEN ACCOMPLISHED.

THE PERFORMANCE EVALUATION HAS TWO MAJOR GOALS. THE FIRST AND PRIMARY GOAL IS TO IMPROVE THE PERFORMANCE OF THE INDIVIDUAL IN HIS PRESENT POSITION. THE SECOND GOAL IS TO IDENTIFY THOSE INDIVIDUALS WHO ARE CAPABLE OF PERFORMING GREATER RESPONSIBILITIES AND TO ASSIST THEM IN PREPARING THEMSELVES FOR THE FUTURE.

THE SIGNIFICANCE OF A PERFORMANCE EVALUATION ALLOWS THE INDIVIDUAL TO RECEIVE REGULAR CONSIDERATION, FIND OUT HOW HE OR SHE STANDS, AND PROVIDES A BASIS OF IMPROVING PERFORMANCE. THE MANAGER HAS A BASIS FOR OBTAINING IMPROVED PERFORMANCE, MAKING FAIR, CONSISTENT DECISIONS, AND COUNSELING FORMALLY AND

INFORMALLY. THE PERFORMANCE REVIEW ALERTS THE MANAGER TO AREAS WHICH NEED STIMULATION OR ASSISTANCE IN ACHIEVING OBJECTIVES. IN ADDITION, THE ORGANIZATION HAS MORE OBJECTIVE PERFORMANCE DATA, A BETTER KNOWLEDGE OF HUMAN RESOURCES, AND A BASIS FOR ACCELERATING STAFF DEVELOPMENT.

BEFORE ANALYZING INDIVIDUAL PERFORMANCE, THERE ARE A NUMBER OF FACTORS TO BE CONSIDERED. HAVE THE PERSONAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES BEEN WELL-DEFINED? HAS THE INDIVIDUAL HAD AN OPPORTUNITY TO PERFORM? HAS THE INDIVIDUAL HAD THE ASSISTANCE THAT WAS NECESSARY? HAS THERE BEEN A REASONABLE WORKING RELATIONSHIP BETWEEN THE INDIVIDUAL AND HIS SUPERVISOR?

MEASURING THE INDIVIDUAL'S PERFORMANCE DURING THE PERFORMANCE INTERVIEW IS BASICALLY A THREE-STEP PROCESS:

1) REVIEW THE PERFORMANCE OBJECTIVES. REVIEW THE PERFORMANCE OBJECTIVES FOR THE TIME PERIOD BEING COVERED.

2) MEASURE THE JOB PERFORMANCE. MEASURE THE JOB PERFORMANCE BY DETERMINING THE ACHIEVEMENT LEVEL THAT THE INDIVIDUAL HAS ATTAINED WHILE WORKING TOWARD THE OBJECTIVE. THE DEGREE TO WHICH AN INDIVIDUAL HAS ACHIEVED HIS OBJECTIVES MAY BE CLASSIFIED AS FOLLOWS:

Level 1	-	No activity
Level 2	-	Little done
Level 3	-	Partially met
Level 4	-	Achieved
Level 5	-	Exceeded

3) DETERMINE THE CAUSE FOR NOT MEETING THE PERFORMANCE OBJECTIVE. FAILURE TO ACHIEVE OBJECTIVES MAY BE THE FAULT OF THE MANAGER AND THE SITUATION, AS WELL AS THE FAULT OF THE SUBORDINATE. ONCE THE CAUSE OF THE FAILURE IS IDENTIFIED, A PLAN OF ACTION SHOULD BE DISCUSSED IN ORDER TO IMPROVE FUTURE PERFORMANCE.

PERFORMANCE REVIEWS

THE BASIS OF THE PERFORMANCE EVALUATION IS THE MONTHLY REPORT. THIS REPORT SHOULD BE A BRIEF REVIEW OF THE MONTH'S ACCOMPLISHMENTS IN MEETING OBJECTIVES. IT SHOULD MOVE UPWARD IN THE ORGANIZATION AND WILL BE A GRADUAL COMBINING OF AREAS UNTIL IT REACHES THE TOP ADMINISTRATION.

THE REPORT MAY BE ORAL OR WRITTEN. (I PREFER WRITTEN UNLESS THERE ARE SERIOUS PROBLEMS). THE REVIEW SHOULD DEAL MAINLY WITH OBJECTIVES WHICH ARE CAUSING DIFFICULTY. THESE REPORTS SHOULD NOT REQUIRE OVER THIRTY MINUTES TO PREPARE.

THE MANAGER SHOULD REVIEW THE MONTHLY REPORT AND RESPOND QUICKLY. A WRITTEN REPORT BACK TO THE SUBORDINATE WILL SUFFICE IF ONLY MINOR ADJUSTMENTS ARE NEEDED. IF MAJOR DIFFICULTIES ARE EVIDENT, AN IN-DEPTH CONFERENCE SHOULD BE CONDUCTED.

THE QUARTERLY PERFORMANCE REVIEW SHOULD BE A SCHEDULED, FORMALLY ORGANIZED CONFERENCE. AT EACH LEVEL OF MANAGEMENT, THE SUPERVISOR PREPARES FOR HIS REVIEW BY CONFERRING WITH EACH OF HIS SUBORDINATES. THUS THE REVIEW MOVES UP THE LADDER OF THE ORGANIZATION GRADUALLY COVERING AN EVER WIDENING AREA OF RESPONSIBILITY.

THE QUARTERLY PERFORMANCE REVIEW MUST BE CONDUCTED IN A FRANK, HONEST MANNER. IF AN OBJECTIVE HAS BEEN MET, CREDIT CAN BE GIVEN. IF ON THE OTHER HAND, AN OBJECTIVE HAS NOT BEEN ACHIEVED, BOTH PARTIES ATTEMPT TO DETERMINE THE REASON AND MAP A STRATEGY FOR ACCOMPLISHMENT.

ANNUAL PERFORMANCE REVIEWS, SIMILAR TO THE QUARTERLY REVIEW, ANALYZE THE YEAR'S ACCOMPLISHMENTS AND LOOK AHEAD TO GOALS AND OBJECTIVES FOR THE COMING YEAR.

PERFORMANCE REVIEW AFFORD AN OPPORTUNITY TO RENEGOTIATE OBJECTIVES OR TIME SCHEDULES WHICH APPEAR UNREALISTIC IN LIGHT OF CONDITIONS AT THE TIME OF REVIEW.

STRATEGIES FOR IMPLEMENTING
A MANAGEMENT BY OBJECTIVES SYSTEM

MANAGEMENT BY OBJECTIVES IS A "CIRCULAR" SYSTEM WITH COMMITMENT AND LEADERSHIP COMING FROM TOP ADMINISTRATION AND DEVELOPMENT OF GOALS AND OBJECTIVES ORIGINATING AT EACH LEVEL AND NEGOTIATED WITH THE ADMINISTRATION AT THAT LEVEL. THE PLANNING STATUS WITH THE OVERALL GOALS AND OBJECTIVES OF THE TOTAL ORGANIZATION AND THE IMPLEMENTATION STARTS WITH A COMMITMENT BY TOP ADMINISTRATION. AS THE CONCEPT FILTERS DOWN THROUGH THE ORGANIZATION, THE MANAGER'S ACCEPTANCE AND USE OF THE SYSTEM AT EACH LEVEL IS ESSENTIAL. AN ALTERNATIVE APPROACH WOULD BE TO HAVE A "TRIAL RUN" OF THE SYSTEM IN ONE SEGMENT OF THE ORGANIZATION. IF RESULTS OF THE TEST ARE FAVORABLE, M.B.O. CAN THEN BE INSTALLED SYSTEMWIDE. REGARDLESS OF WHETHER INSTALLATION IS PARTIAL OR TOTAL, THOSE AT THE TOP MUST MAKE IT CLEAR THAT THE METHOD IS TO HAVE A COMPLETE TEST.

IT MAY BE WISE TO DECREE THAT THE SYSTEM WILL BE TESTED FOR A PERIOD OF TIME (1 YEAR) AND AT THE END OF THAT PERIOD A DECISION WILL BE MADE AS TO THE PERMANENCE OF THE M.B.O. SYSTEM.

ONCE THIS FIRST MAJOR STEP HAS BEEN TAKEN, IT IS RECOMMENDED THAT AN INDIVIDUAL BE APPOINTED BY THE TOP ADMINISTRATION TO STUDY THE CONCEPT OF MANAGEMENT BY OBJECTIVES. THIS INDIVIDUAL SHOULD BECOME FAMILIAR WITH AND KNOWLEDGEABLE ABOUT THE SYSTEM, TO THE EXTENT THAT HE OR SHE WILL BE ABLE TO CONDUCT ORIENTATION WORKSHOPS ON MANAGEMENT BY OBJECTIVES TO THE PERSONNEL OF THE ORGANIZATION AT A FUTURE DATE.

IT IS RECOMMENDED THAT THIS APPOINTED M.B.O. DIRECTOR AND STAFF BE ONE LEVEL BELOW THE TOP ADMINISTRATION IN ORDER TO REPORT THE PROGRESS OF THE IMPLEMENTATION OF THE SYSTEM DIRECTLY TO THE TOP ADMINISTRATION. THIS WILL INSURE A CONTINUED AND EFFECTIVE FEEDBACK SYSTEM THROUGHOUT THE ENTIRE PROCESS OF IMPLEMENTATION.

AFTER THE APPOINTMENT OF THE M.B.O. DIRECTOR AND STAFF RECRUITMENT, THE NEXT STEP WOULD BE FOR THIS INDIVIDUAL TO CONTACT A REPUTABLE AND KNOWLEDGEABLE MANAGEMENT CONSULTANT AND ARRANGE A TWO- OR THREE-DAY MANAGEMENT BY OBJECTIVES ORIENTATION CONFERENCE FOR THE TOP ADMINISTRATORS AND THE FIRST AND SECOND LEVEL MANAGERS IN THE ORGANIZATION. THIS CONFERENCE WOULD ALLOW THE TOP ADMINISTRATION TO STUDY THE MANAGEMENT BY OBJECTIVES CONCEPT IN DETAIL AND DETERMINE THE ACCEPTANCE OF SUCH A MANAGEMENT SYSTEM FROM THE FIRST AND SECOND LEVEL MANAGERS' COMMENTS AND INTEREST. THIS WOULD ALSO ALLOW THE M.B.O. DIRECTOR AN OPPORTUNITY TO INQUIRE ABOUT ANY SPECIFIC QUESTIONS HE OR SHE MAY HAVE, BEFORE THE IMPLEMENTATION ACTUALLY BEGINS THROUGHOUT THE ORGANIZATION, AND RECEIVE ADDITIONAL INFORMATION WHICH MAY BE OF VITAL IMPORTANCE LATER ON.

DEPENDING ON THE SIZE OF THE ORGANIZATION INTO WHICH THE SYSTEM WILL BE IMPLEMENTED, THIS APPOINTED INDIVIDUAL SHOULD BE ALLOWED TO RECRUIT A STAFF SUITABLE TO DEVELOP A DATA BASE FROM WHICH TO BEGIN, HANDLE THE IMPLEMENTATION, AND MAINTAIN THE SYSTEM ONCE THE SEQUENCE FILTERS DOWN THROUGH ALL LEVELS OF THE ORGANIZATION.

THE NEXT STEP FOR THE M.B.O. DIRECTOR AND STAFF IS TO DEVELOP AND/OR COMPILE A DATA BASE FROM WHICH THE ORGANIZATION WILL BE ABLE TO DETERMINE WHERE THEY HAVE BEEN IN THE PAST AND WHERE THEY ARE NOW. THIS INFORMATION IS NECESSARY IF THERE ARE TO BE ANY ORGANIZATIONAL GOALS AND OBJECTIVES DEVELOPED THAT WILL DETERMINE WHERE THE ORGANIZATION WOULD LIKE TO BE AT SOME FUTURE DATE.

DIFFICULTIES AND PROBLEMS OF IMPLEMENTATION

ADOPTING A NEW MANAGEMENT SYSTEM INTO ANY ORGANIZATION RARELY OCCURS WITHOUT PROBLEMS THAT NEED TO BE CONFRONTED AND DIFFICULTIES WHICH NEED TO BE SURMOUNTED, IF THE SYSTEM IS TO BE

IMPLEMENTED AND BECOME OPERABLE. THEREFORE, THIS SECTION HAS BEEN INCLUDED WHICH OUTLINES A FEW MAJOR PROBLEMS AND DIFFICULTIES WHICH MAY OCCUR BEFORE, DURING, AND AFTER THE IMPLEMENTATION STAGE.

SOME OF THE MAJOR PROBLEMS AND DIFFICULTIES ENCOUNTERED IN IMPLEMENTING A MANAGEMENT BY OBJECTIVES SYSTEM ARE:

1. Lack of commitment by the top administration to support the system.
2. Lack of an adequate data base from which to develop the organizational goals and objectives.
3. Lack of understanding by the participants or ability to write organizational goals and objectives and personal job functions and performance objectives.
4. Lack of flexibility when implementing the system.
5. Lack of personnel to implement the system and give individual instruction to those participants who need and desire it.
6. Lack of time to implement the system.
7. Lack of accountability or failure to follow-up and periodically evaluate accomplishments of the objectives.

SUMMARY

IN SUMMATION, IT IS RECOMMENDED THAT ANY ORGANIZATION MAKE THE MANAGEMENT BY OBJECTIVES SYSTEM WORK FOR THEM. THE BASIC CONCEPT OF THIS MANAGEMENT SYSTEM CAN BE ADAPTED TO ANY ORGANIZATION. IN SIMPLISTIC FORM, THIS CONCEPT OF MANAGEMENT REVOLVES AROUND THESE TWO IDEAS:[2]

1. One is that the better you understand what it is you are trying to accomplish, the greater your chances are of accomplishing it,
2. And the other is that progress can only be measured in terms of what one is trying to make progress toward.

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[2]Dixon, George H., "Special Formula that Gets Results," Credit and Financial Management, May, 1970, pg. 27.

THIS IS NOT A NEW CONCEPT IN MANAGEMENT, FOR MOST ORGANIZATIONS REVOLVE AROUND THESE TWO IDEAS. MANAGEMENT BY OBJECTIVES IS A FAR MORE FORMAL, CONSISTENT, AND CURRENT APPLICATION OF THIS CONCEPT OF MANAGEMENT FOR ANY ORGANIZATION.

AN ORGANIZATION MAY WISH TO DEVELOP AN ELABORATE SET OF ORGANIZATIONAL GOALS AND OBJECTIVES AND PERSONAL JOB FUNCTIONS AND PERFORMANCE OBJECTIVES, OR PERHAPS IT MAY WISH TO DEVELOP A VERY SIMPLE MANAGEMENT BY OBJECTIVES SYSTEM. EACH ORGANIZATION SHOULD DO WHATEVER WILL WORK FOR THEM, OR IN OTHER WORDS, IT SHOULD ADAPT THE SYSTEM TO FIT THE STYLE OF THE ORGANIZATION. REMEMBER THAT THIS SYSTEM OF MANAGEMENT IS FLEXIBLE ENOUGH TO TAKE A LARGE AMOUNT OF BENDING AND TWISTING, AS LONG AS IT ENCOMPASSES THE TWO BASIC IDEAS OF THIS CONCEPT OF MANAGEMENT.

THE DIVISION OF RESEARCH, PLANNING, AND EVALUATION OF THE OKLAHOMA STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL EDUCATION IS PUBLISHING A COMPLETE DOCUMENTATION OF OUR EXPERIENCES IN IMPLEMENTING AN M.B.O. SYSTEM. THIS REPORT WILL DETAIL THE STEPS INVOLVED IN INITIATING THE SYSTEM AND GIVE EXAMPLES OF EACH LEVEL'S GOALS, OBJECTIVES, AND FUNCTIONS. A COPY WILL BE MAILED UPON REQUEST.